

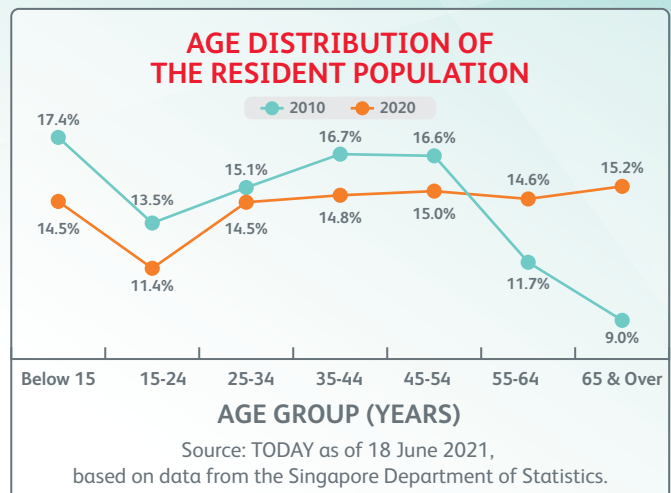
Message from the Investment Team

Last month, the Singapore Department of Statistics released its report on the Census of Population 2020¹. This census is the largest national survey and gleans insights into our population trends. A greying population, fewer babies, more singles and higher incomes – these are how the Singaporean population has transformed over the last 10 years.

Demographic transition towards an ageing population is more advanced in developed countries like Singapore and can have adverse effects on economic performances, financial markets and investment needs. Trends such as spiralling health care costs and retirement income support are to be considered in order to help all our customers age gracefully.

Investment implications, such as reassessing home biasness towards Singapore bonds and stocks are just as important. Domestic assets denominated in Singapore dollar may offer familiarity and perceived security. But an investor with home bias may miss out on wider opportunities globally to benefit from

rising Asian consumer growth, US and China digital innovations and more.

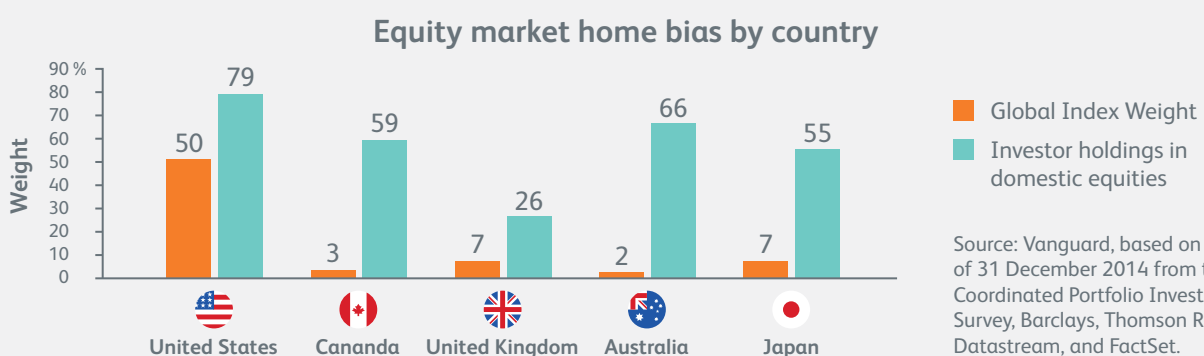


Established since 1992, our PRULink funds offer globally diversified sources of returns and you will soon see new and exciting additions in the months ahead.

In Prudential, We DO Wealth.

INVESTMENT CONCEPT FOR THE MONTH

HOME BIAS is the tendency for investors to invest the majority of their portfolio in domestic assets, ignoring the benefits of diversifying into foreign assets.



1 Source: <https://www.straitstimes.com/multimedia/graphics/2021/06/singapore-census-2020/index.html>



MARKET OUTLOOK

What's Next In The Market

The Delta variant has been swiftly spreading across the globe of late, causing a resurgence in new COVID-19 infections and accounting for over 90% of all new cases. This has prompted governments to impose lockdowns in the UK, Australia, China and Singapore.

So, will the Delta variant derail the ongoing global economic recovery?

While the virus mutation may trigger another major wave of cases, the economic impact is expected to be far smaller than during past waves. Medical evidence thus far shows that vaccines remain largely effective. While some developing economies are behind on their inoculation programmes, it is estimated that 10 billion doses of vaccines will be produced globally. This may hasten vaccination rates and help emerging markets avoid prolonged economic shutdowns.

There are few signs that the global economy is heading towards another major downturn. Global stocks have risen 13.9% year-to-date, implying that markets have priced in an optimistic economic outlook.

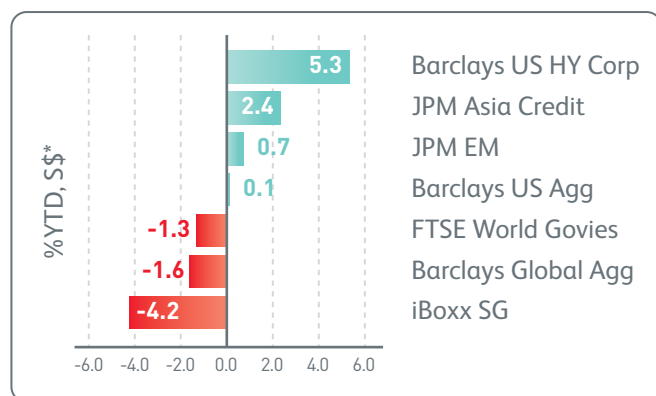
Catalyst and Key Event: Watch the Fed!

In June, the US Federal Reserve met and left policy unchanged. However, the revised economic projections reflect a shift away from the need for ultra-accommodative policy today. Estimates for real GDP was revised up to 7% while the personal consumption expenditures inflation forecast was increased by 1 percentage point to 3.4%.

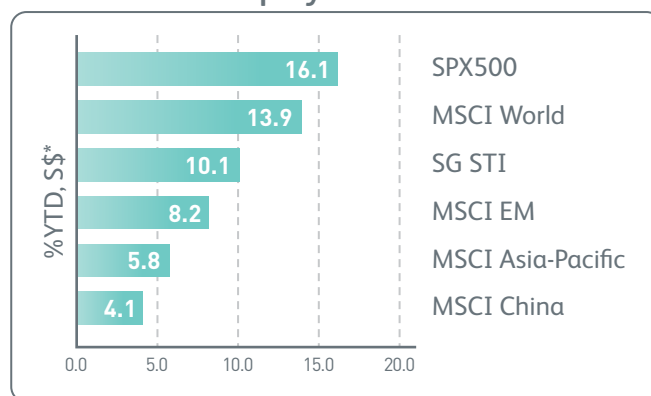
US Federal Reserve Chairman Jerome Powell further acknowledged that the US Federal Reserve would be prepared to adjust the stance of monetary policy in response to higher inflation. The recent communication was a hawkish surprise for markets and resulted in broad US dollar strength and gold price decline.

The brighter US economic outlook and inflation risks could impact the tapering timeline of the Treasury purchase programme by the US Federal Reserve. However, the timing of a rate hike will remain dependent on the labour market inching towards maximum employment.

Fixed Income Indices



Equity Indices



*The indicated numbers are hedged into SGD. Source: Bloomberg Finance LP. Updated as of 30 June 2021.

Note that past performance is not necessarily indicative of its future performance.



Regional Performance

UNITED STATES

The S&P500 increased by 14.4% year-to-date. The strongest sectors are energy, IT, communication services and real estate. 10-year US Treasury yields declined from 1.74% to 1.47% in Q2, retracing some of the large move in Q1. The inflation rates exceeded the US Federal Reserve's 2% target over the last decade. Broad backdrop continued with a pronounced rebound in economic activity.

EUROPE

Eurozone equities gained 13.6% year-to-date, supported by strong corporate earnings and vaccine roll-out acceleration. Economic activity strongly rebounded in Q2. The flash Markit eurozone composite PMI hit its highest level since June 2006 at 59.2. The UK 10-year yield fell to 0.72%, following a sharp rise in the previous period.

ASIA

Asia ex Japan equities achieved a gain of 5.8% year-to-date amid continued investor optimism for a return to economic normality and an end to the COVID-19 pandemic. However, stocks were more muted towards the end of the quarter as a resurgence of COVID-19 infections and lockdowns due to the delta variant curbed investor optimism somewhat. Asia bonds decreased by 0.1% year-to-date.

EMERGING MARKETS

Emerging market equities recorded a gain of 6.5% year-to-date and registered a strong return over the second quarter. This was despite a sell-off in May as higher-than-expected US inflation renewed concerns over the timing of global monetary policy tightening. Emerging market bonds had a strong quarter lessening the year-to-date loss to 1.0%, led by high yield, while emerging market currencies performed well despite a pullback in June.

	% Performance			
	2018	2019	2020	YTD Jun 2021

EQUITIES*				
MSCI World	-10.4%	25.2%	14.1%	12.2%
S&P 500 Index	-6.2%	28.9%	16.3%	14.4%
MSCI Europe	-13.1%	22.2%	-5.4%	13.6%
MSCI AC Asia Pac ex Japan	-16.4%	15.8%	19.8%	5.8%
MSCI Emerging Market	-16.6%	15.4%	15.8%	6.5%
TOPIX	-17.8%	15.2%	4.8%	7.7%
Hang Seng Index	-13.6%	9.1%	-3.4%	5.9%
Straits Times Index	-9.8%	5.0%	-11.8%	10.1%

BONDS*				
UST 10 YR (Yield)	2.69%	1.92%	0.92%	1.47%
SGS 10 YR (Yield)	2.03%	1.73%	0.83%	1.56%
UKT 10 YR (Yield)	1.27%	0.82%	0.19%	0.72%
US Agg	0.0%	8.7%	7.5%	-1.6%
EM Agg	-4.6%	14.4%	5.9%	-1.0%
Asia Agg	-0.8%	11.3%	6.3%	-0.1%

FOREIGN EXCHANGE RATES				
USD SGD	2.0%	-1.2%	-1.8%	1.8%
EUR SGD	-2.9%	-3.4%	7.0%	-1.2%
GBP SGD	-4.0%	2.6%	1.2%	3.0%
AUD SGD	-7.9%	-1.7%	7.7%	-0.8%

* The indicated numbers are benchmark indicators in local currency and unhedged.

Source: Thomson Reuters Datastream, Bloomberg Finance L.P., Prudential Investment Strategy. Updated as of 30 June 2021.

Note that past performance is not necessarily indicative of its future performance.



Performance by Regional Exposures

Visual representation of our funds and their performance on a map

GLOBAL

-  PRULINK GLOBAL BOND FUND
-  PRULINK GLOBAL TECHNOLOGY FUND
-  PRULINK ADAPT 2025 FUND
-  PRULINK ADAPT 2035 FUND
-  PRULINK GLOBAL MANAGED FUND
-  PRULINK GLOBAL PROPERTY SECURITIES FUND
-  PRULINK DYNAMIC INCOME FUND
-  PRULINK GLOBAL EQUITY FUND


EMERGING MARKETS

-  PRULINK EMERGING MARKET INCOME BOND FUND
-  PRULINK EMERGING MARKETS FUND

ASIA

-  PRULINK ASIAN INCOME AND GROWTH FUND
-  PRULINK CHINA-INDIA FUND
-  PRULINK GREATER CHINA FUND
-  PRULINK ASIAN EQUITY FUND
-  PRULINK ASIAN INCOME FUND
-  PRULINK ASIAN INFRASTRUCTURE EQUITY FUND

AMERICAS

-  PRULINK AMERICA FUND
-  PRULINK ASIAN AMERICAN MANAGED FUND

EUROPE

-  PRULINK PAN EUROPEAN FUND

SINGAPORE

-  PRULINK SINGAPORE ASIAN MANAGED FUND
-  PRULINK SINGAPORE CASH FUND
-  PRULINK SINGAPORE DYNAMIC BOND FUND
-  PRULINK SINGAPORE ASEAN MANAGED FUND
-  PRULINK SINGAPORE GROWTH FUND

LEGEND:  Outperform Index Over a 5 Year Period |  Underperform Index Over a 5 Year Period

Source: Prudential Assurance Company Singapore. Updated as of 30 Jun 2021.

Note that PRULink India Equity Fund, PruLink Asian Multi-Asset Income Fund, PruLink Asian Fixed-Income Fund, PruLink Global Multi-Asset Income Fund and PruLink Global Fixed-Income Fund have been excluded as they have been incepted for less than 5 years.

Top 3 Performing Funds (Based on YTD Performance)

Absolute Return

1. PRULINK AMERICA FUND
2. PRULINK GLOBAL PROPERTY SECURITIES FUND
3. PRULINK PAN EUROPEAN FUND

Excess Return

1. PRULINK CHINA-INDIA FUND
2. PRULINK PAN EUROPEAN FUND
3. PRULINK GLOBAL MANAGED FUND

Note that past performances of the PRULink Funds are not necessarily indicative of their future performances. The fund performance provided above is gross of fees. For net of fees performance, please find fund factsheets [here](#).

FEATURE OF THE MONTH

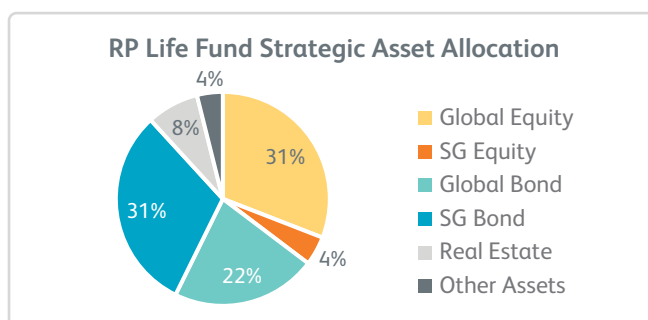
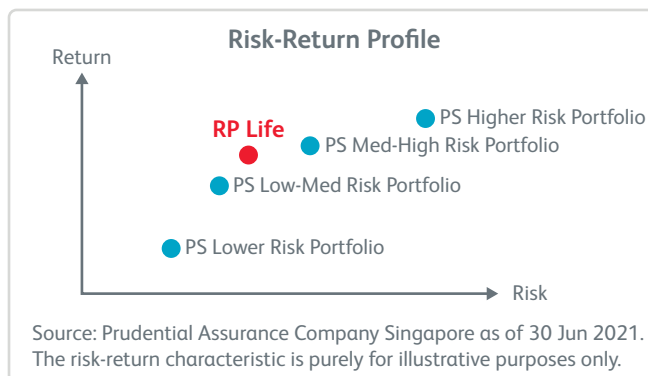


Participating Fund - PACS Regular Premium Life Fund (“RP Life”)

In this month’s Investment Eagle, we will be looking at Participating Fund - PACS Regular Premium Life Fund (“RP Life”). There are 9 sub-funds in total within the entire Participating Fund (“Par Fund”). The primary principle of segregating the Par Fund into smaller sub-funds is to cater for the different investment strategies which are uniquely suitable to the respective liability profile of each sub-fund. The main products for RP Life are RP Whole Life, RP Endowment and SP Endowments.

RP Life Fund invests in equities, bonds, real estate and other assets. Due to the wide asset mix invested by PACS Par Fund, policyholders are able to gain access to global private equity, infrastructure and hedge funds which are unavailable to retail investors.

Comparing to Portfolio Solutions (“PS”), the risk-return characteristic of RP Life Fund (Risk-Return Profile chart) stays between PS Low-Med Risk Portfolio and PS Med-High Risk Portfolio.



As of 30 June 2021, the size of the RP Life Fund is S\$31,822 million and the Strategic Asset Allocation is as shown in the second chart.

The chart below compares the returns of RP Life Fund and different asset classes from 2012 to 2020. Generally, we can see that RP Life Fund return stayed in the upper half of the chart across the years, benefiting from portfolio diversification.

2012	2013	2014	2015	2016	2017	2018	2019	2020	Annual Return (2012-2020)
SG Equity (27.0%)	Global Equity (20.3%)	Real Estate (11.1%)	Global Bond (1.0%)	RP Life (8.7%)	SG Equity (27.9%)	Cash (1.8%)	Global Equity (24.0%)	Global Equity (14.3%)	Global Equity (8.9%)
Real Estate (24.9%)	RP Life (4.8%)	Global Bond (7.6%)	RP Life (0.3%)	Global Equity (5.6%)	Global Equity (21.6%)	Global Bond (1.8%)	Real Estate (19.8%)	SG Bond (6.8%)	RP Life (6.3%)
Global Equity (13.4%)	Real Estate (0.0%)	RP Life (5.9%)	Cash (0.0%)	Global Bond (3.9%)	SG Bond (12.1%)	SG Bond (-0.2%)	RP Life (12.4%)	RP Life (6.3%)	Real Estate (4.8%)
RP Life (10.7%)	Cash (0.0%)	Global Equity (2.1%)	Real Estate (-2.4%)	Cash (0.3%)	Real Estate (11.6%)	RP Life (-2.1%)	Global Bond (8.2%)	Global Bond (5.6%)	Global Bond (4.0%)
SG Bond (9.0%)	Global Bond (-0.1%)	SG Equity (1.2%)	Global Equity (-4.3%)	Real Estate (0.1%)	RP Life (10.9%)	Real Estate (-9.0%)	SG Equity (6.5%)	Cash (0.5%)	SG Bond (2.2%)
Global Bond (5.7%)	SG Equity (-3.2%)	Cash (0.0%)	SG Bond (-5.4%)	SG Bond (-0.3%)	Global Bond (3.0%)	SG Equity (-11.6%)	SG Bond (5.4%)	Real Estate (-7.5%)	Cash (0.6%)
Cash (0.1%)	SG Bond (-4.3%)	SG Bond (-2.3%)	SG Equity (-19.9%)	SG Equity (-2.1%)	Cash (0.8%)	Global Equity (-11.2%)	Cash (2.2%)	SG Equity (-10.2%)	SG Equity (0.6%)

Source: Bloomberg; Athena Investment Performance Hub. Data as of 31 December 2020.

FUND PERFORMANCE



Name	Absolute				Year to Date		
	1 Month	6 Months	3 Years ¹	5 Years ¹	Absolute Returns	BM ²	Excess returns ³
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HIGHER RISK CLASSIFICATION							
EQUITY FUNDS							
PRULINK AMERICA FUND	-0.9	19.2	9.0	9.7	19.2	17.0	2.2
PRULINK ASIAN EQUITY FUND	0.2	7.9	8.8	10.6	7.9	8.7	-0.7
PRULINK ASIAN INCOME FUND	0.4	8.0	8.4	10.1	8.0	8.7	-0.6
PRULINK ASIAN INFRASTRUCTURE EQUITY FUND	-0.1	12.5	6.1	7.5	12.5	13.7	-1.2
PRULINK CHINA-INDIA FUND	2.8	12.7	12.8	16.7	12.7	9.3	3.4
PRULINK EMERGING MARKETS FUND	2.5	6.5	18.6	18.8	6.5	9.3	-2.8
PRULINK GLOBAL EQUITY FUND	1.3	9.7	12.8	11.9	9.7	14.2	-4.5
PRULINK GLOBAL PROPERTY SECURITIES FUND	2.6	18.1	7.6	5.9	18.1	17.5	0.7
PRULINK GLOBAL TECHNOLOGY FUND	7.2	16.3	25.6	28.9	16.3	15.2	1.1
PRULINK GREATER CHINA FUND	1.0	10.9	20.3	23.6	10.9	8.3	2.6
PRULINK INDIA EQUITY FUND	2.8	10.8	9.4	N/A	10.8	14.5	-3.6
PRULINK PAN EUROPEAN FUND	0.4	16.8	10.5	12.4	16.8	13.7	3.1
PRULINK SINGAPORE GROWTH FUND	-0.7	12.5	4.7	7.9	12.5	11.8	0.7
MODEL PORTFOLIOS							
PORTFOLIO SOLUTIONS HIGHER RISK PORTFOLIO	0.9	3.5	9.5	9.4	3.5	4.8	-1.3
PRUSELECT VANTAGE HIGHER RISK PORTFOLIO	0.5	7.7	8.6	10.0	7.7	9.7	-2.0
MEDIUM-TO-HIGH RISK CLASSIFICATION							
MULTI-ASSET FUNDS							
PRULINK ADAPT 2025 FUND	0.9	3.9	7.2	7.4	3.9	2.4	1.5
PRULINK ADAPT 2035 FUND	1.0	8.0	9.4	10.5	8.0	6.5	1.5
PRULINK ASIAN AMERICAN MANAGED FUND	1.7	4.8	8.1	8.1	4.8	4.5	0.3
PRULINK ASIAN INCOME AND GROWTH FUND	1.2	3.6	9.6	10.9	3.6	5.0	-1.4
PRULINK DYNAMIC INCOME FUND	0.7	2.4	5.2	5.4	2.4	1.8	0.5
PRULINK GLOBAL MANAGED FUND	2.0	10.8	11.4	10.6	10.8	7.8	3.0
PRULINK SINGAPORE ASEAN MANAGED FUND	-0.5	3.3	1.9	4.5	3.3	1.7	1.6
PRULINK SINGAPORE ASIAN MANAGED FUND	0.3	8.6	7.8	8.9	8.6	6.1	2.5
PRULINK GLOBAL MULTI ASSET INCOME FUND	0.5	N/A	N/A	N/A	N/A	N/A	N/A
PRULINK ASIAN MULTI ASSET INCOME FUND	2.3	N/A	N/A	N/A	N/A	N/A	N/A
MODEL PORTFOLIOS							
PORTFOLIO SOLUTIONS MED-HIGH RISK PORTFOLIO	0.8	2.1	8.8	8.2	2.1	2.9	-0.8
PRUSELECT VANTAGE MED-HIGH RISK PORTFOLIO	0.4	5.7	6.6	6.7	5.7	6.1	-0.3
LOW-TO-MEDIUM RISK CLASSIFICATION							
BOND FUNDS							
PRULINK EMERGING MARKET INCOME BOND FUND	-0.5	-2.8	2.8	2.4	-2.8	1.8	-4.6
PRULINK GLOBAL BOND FUND	1.2	-2.0	4.6	2.8	-2.0	-3.1	1.1
PRULINK SINGAPORE DYNAMIC BOND FUND	0.5	-2.2	5.7	4.2	-2.2	-3.3	1.1
PRULINK ASIAN FIXED INCOME FUND	-1.0	N/A	N/A	N/A	N/A	N/A	N/A
PRULINK GLOBAL FIXED INCOME FUND	0.2	N/A	N/A	N/A	N/A	N/A	N/A
MODEL PORTFOLIOS							
PORTFOLIO SOLUTIONS LOW-MED RISK PORTFOLIO	0.7	1.0	7.4	6.7	1.0	1.0	0.0
PRUSELECT VANTAGE LOW-MED RISK PORTFOLIO	0.3	3.5	5.8	5.0	3.5	2.2	1.3
LOWER RISK CLASSIFICATION							
BOND FUNDS							
PRULINK SINGAPORE CASH FUND	0.0	0.3	1.4	1.3	0.3	0.0	0.2
MODEL PORTFOLIOS							
PORTFOLIO SOLUTIONS LOWER RISK PORTFOLIO	0.7	-0.3	6.1	5.3	-0.3	-0.9	0.6
PRUSELECT VANTAGE LOWER RISK PORTFOLIO	0.3	-0.1	4.6	3.9	-0.1	-3.3	3.2

Source: Custodian. Updated as of 31 May 2021.

The fund performance provided above is gross of fees. For net of fees performance, please find fund factsheets [here](#).

Note that past performances of the PRULink Funds are not necessarily indicative of their future performances. Also note that PS/PSV/PSVP is a platform whereby model portfolios are constructed of underlying funds based on particular risk profiles as advised by an external consultant. The funds within these model portfolios may change from time to time.

¹ Annualised ² Benchmark ³ Excess Returns is the out-performance in terms of returns over the benchmark



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